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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/283,781	04/01/1999	MILAN KRATKA	12406US01	1455

7590

10/01/2002

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EXAMINER

GRAHAM, CLEMENT B

ART UNIT

PAPER NUMBER

3628

DATE MAILED: 10/01/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/283,781

Applicant(s)

KRATKA, MILAN

Examiner

Clement B Graham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 July 2002.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 and 2 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1 and 2 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 7. 6) ☐ Other:

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DETAILED ACTION

1. **This office action is in response to Applicant's request for reconsideration filed on 6/3/02.**

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patent ability shall not be negated by the manner in which the invention was made.

3. Claim 1-2, are rejected under 35 U.S.C. 103(a) as being unpatentable Miloje Makivic U.S Patent 6,061,662.

As per claim 1, Makivic discloses system that permits the user to obtain a complete solution of a derivative security valuation problem in a single simulation. (Note abstract and see column 3 lines 5-10 of Makivic). Makivic also discloses a technique for estimating the solution of a numerical mathematical problem by means of an artificial sampling experiment. This is an established numerical method for the valuation of derivative securities. Its major strength is flexibility, and it may be applied to almost any problem, including history-dependent claims or empirically characterized security processes. (See column 1 line 45 of Makivic). Makivic also discloses traders use a model with these parameters and to predict option price movements as stock prices fluctuates in the short run. (See column 1 lines 30 –35 of Makivic). Makivic also discloses algorithm is among the most flexible and is capable of pricing any kind of option. The algorithm has a unique feature in that it can compute all the parameter sensitivities of an option price in a single simulation without resorting to numerical

differentiation. An accurate determination of cost sensitivities is desirable for a practical trading or hedging strategy. The algorithm can also accept any kind of stochastic process for the underlying assets. Furthermore, option values and sensitivities can be computed for multiple values of parameters in a single simulation, which is a feature not replicatable by any other known method. This is useful for risk management purposes, where multiple scenarios may be superimposed on top of option valuation to establish best/worst-case exposures and other risk assessment tasks mandated by internal policies or regulators. The algorithm is also a valuable tool for sell-side firms, where it can be used as a flexible engine for the valuation of exotic one-of-a-kind derivative instruments. From an implementation point of view, the algorithm scales efficiently even on massively parallel processors; so it can take full advantage of the processing power of the machine. (See column 3 lines 40-60 of Makivic). Makivic also discloses outputting the derived option price and a graphical representation of the simulation for the underlying asset. (See column 27 line 5 of Makivic). It would have been obvious to one of ordinary skill in the art at the time the invention was made to apply the teachings of Makivic in order to produce a derived option price for the underlying asset. The benefit would have been the results of to achieving an option price.

As per claim 2, Makivic discloses the user inputs any of a plurality of requests and/or parameters, including an information request, input parameter set(s), partial derivatives or other output requirements, statistical quantities required from the analysis, and optional statistical procedures to be used. The user may interface the processor by any means known in the art; shown are through a personal computer to a

telecommunications network (such as, but not limited to, the World Wide Web) and through a workstation 25 through an internal network. (See column 18 lines 15-20 of Makivic). Makivic also discloses that the processing system 12 contains software for performing a plurality of functions, including verifying and formatting input, initializing calculations and the computational configuration, manipulating the input data, calculating option prices and partial derivatives, performing statistical analyses, and verifying and formatting output. (See column 18 lines 5-10 of Makivic). Makivic also discloses Output from the processor is fed back to the user from an output module , such as through an interface to a printer or a display device.(See column 18 line 25 of Makivac).

Conclusion

4. The prior art of record and not relied upon is considered pertinent to Applicants disclosure.

Rebane (US 6078904 Patent) teaches risk direct asset allocation and risk resolved capm for optimally allocating investment assets in an investment portfolio

Molbak (US Patent 5909794) teaches donation transactions methods and apparatus.

Elgema (US Patent 6138107) teaches a method and apparatus for providing electronic accounts over a public network.

Varga (US Patent 6181981) teaches a apparatus and method for improved vending machine inventory maintenance.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874.

The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Frantzy Poinvil can be reached on 703-305-9779. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG
September 2, 202


FRANTZY POINVIL
PRIMARY EXAMINER
A43628